## **CLEAN ENERGY SOURCE TAC RECOMMENDATIONS - 09/12/2016**

- 1. The NEITF recommends that the Nevada Division of Environmental Protection (NDEP) reconvene the Clean Power Plan Technical Advisory Group to assist NDEP in the development of a state plan for compliance with the Clean Power Plan that is in the best interests of Nevada citizens and businesses, including exploring Nevada's voluntary participation in the Clean Energy Incentive Program (CEIP).
- 2. Based on early technical analyses and presentations made to the Clean Energy Sources TAC, the NEITF finds that Nevada utility customers could benefit from interstate cooperation and participation in regional energy and carbon markets that result in the lowest cost of compliance. Such markets could present opportunities to trade or sell allowances or other compliance instruments thereby reducing costs to Nevada customers. Therefore, the NEITF recommends that NDEP develop a state implementation plan that enables Nevada to trade compliance instruments with other states for the benefit of Nevada customers.
- 3. The NEITF recommends that the Governor's Office of Energy continues working collaboratively with western states on regional energy issues that maximize opportunities to advance the development of Nevada's renewable resources, reduce air pollution, and lower costs for consumers.
- 4. The NEITF recommends legislation comparable to that passed in New Mexico in 2013, and as presented at the 8/15/16 CESTAC meeting.

It should, for any entities providing power to Nevadans, both those existing and those that may provide such services in the future:

- a. Provide for no less than 5% of utility DSM spending, over a three-year horizon, be directed to help low-income Nevadans become more energy efficient;
- b. Direct the PUCN to utilize the Utility Cost Test in lieu of the Total Resource Cost Test, their current practice.
- c. Evaluate the utility's DSM programs' cost-effectiveness as a whole, so that the entire portfolio passes the Utility Cost Test without individual programs having to meet that standard
- d. Recover the costs of these programs in a non-bypassable charge that must be assessed by all utility providers.
- 5. The NEITF recommends that the PUCN work with the regulated utilities and the Governor's Office of Energy to develop a state plan and programs to accelerate the adoption of electric vehicles, including recommending any legislative changes needed.
- 6. The NEITF recommends that the Governor's Office of Energy work with the Nevada Department of Transportation to propose financial incentives to stimulate the purchase of electric vehicles.

## DISTRIBUTED GENERATION and STORAGE TAC RECOMMENDATIONS - 09/12/2016

- 1. The Task Force recommendation on PACE programs is expanded to include battery storage systems.
- 2. A recommendation that all energy codes (IECC) adopted after June 1, 2017 have three performance paths: (1) Prescriptive; (2) Performance; (3) Alternative Compliance.
  - a. After July 1, 2018 all jurisdictions in Nevada must have adopted the three performance paths if they have not adopted a new IECC since the effective date of the bill;
  - b. Both performance and Alternative Compliance-based paths must use a "net score" that takes into account energy producing features that have been installed on a home via the Dynamic Scoring matrix.
- 3. A recommendation that the 2017 Legislature consider a bill that would define "energy storage" technologies in NRS, and require that energy storage be considered in utilities' generation, transmission, and distribution planning processes. Sample definitions from states including Oregon, California, and Massachusetts should be used as a starting point.
- 4. A recommendation that the 2017 Legislature consider a bill to update NRS Chapter 704 to include energy storage procurement targets to serve all electric customers so that Nevada may unlock opportunities to utilize cost-effective energy storage on the electric grid. The bill would include targets for storage interconnected to each point of the grid customer-connected, distribution-connected, and transmission-connected. Further, storage procurement targets should increase over time with targets starting no later than 2020, as to ensure that lessons learned from earlier procurement inform subsequent procurement.
- 5. A recommendation that the 2017 Legislature consider a bill to give one agency or joint agencies specific authority to adopt regulations to oversee the development of distributed resources. The authority to address consumer complaints regarding business practices in the delivery of distributed generation to be consolidated and develop regulations with input from stakeholders.
- 6. A recommendation that the 2017 Legislature consider a bill to specifically direct the PUCN to create a Value of Distributed Solar structured around quantifying the known and measurable impacts both positive and negative internal to the utility of the following benefits and costs:
  - i. Avoided Energy
  - ii. Line Losses
  - iii. Avoided Generation Capacity
  - iv. Ancillary Services
  - v. Transmission/Distribution Capacity
  - vi. Avoided CO<sub>2</sub> Emission costs
  - vii. Voltage Support
  - viii. Avoided Criteria Pollutants costs
    - ix. Fuel Hedging/Diversity
    - x. Environmental costs

- xi. Utility Administration costs
- xii. Utility Integration costs
- xiii. Participant Bill Savings
- 7. A recommendation that the 2017 Legislature consider a bill to direct the PUCN to ensure that customers investing in distributed energy resources be reasonably certain that future changes in policy and rate design will not significantly lessen the economics of their distributed energy resource investments
- 8. A recommendation that the 2017 Legislature consider a bill to authorize a reasonable minimum bill structure as a compromise interim measure (until the PUCN has a final decision in the Value of Solar Dockets for both Sierra Pacific and NV Power) to resurrect the residential and small commercial solar market in Nevada. The bill would reinstate retail rate net metering and restore solar DG customers to their prior rate classes. In return, solar customers would pay a minimum bill not to exceed \$25 per month to ensure a minimum customer contribution from all ratepayers and to reduce the potential impacts of customer cross-subsidization.
- 9. A recommendation that the 2017 Legislature consider enabling legislation and to authorize the PUCN to adopt appropriate guidelines to implement community solar (also called Shared Solar, Community Solar Gardens, Solar Gardens) with a focus on expanding solar access to communities of color and low income neighborhoods.
- 10. A recommendation that the 2017 Legislature consider a bill to authorize the use of uncommitted Renewable Generations funding to promote the implementation of new technologies, battery storage projects, low income residential solar, and community solar gardens as determined in a stakeholder process.
- 11. The New Energy Industry Task Force recommends that the 2017 Legislature consider a bill to incentivize Next Generation Communities (NextGen). The bill will create NextGen communities that are comprised of solely new solar-home and complimented with either large-scale and/or small-scale residential battery storage or a combination of both. The bill would require an investor-owned utility to offer new net metering to customer-generators within a NextGen community in a manner consistent with systems under NRS Chapter 704 as it existed before the enactment of Senate Bill 374 by the 78th Session of the Nevada Legislature and notwithstanding any statute, rule, or determination of any kind by the PUCN to the contrary for a period of five (5) consecutive years. These customers would be grandfathered for 20 years and the rate would run with the home.

NextGen communities are an all-solar community and comprised of twenty solar-homes or more with the solar technology that is incorporated into the building envelope shortly after the construction of the home and uses large and/or small-scale battery technology. The NextGen community automatically qualifies for rebates used to offset a certain percentage of the batteries' cost as determined by a stakeholder process. Funding for the battery rebate program shall come from the RenewableGenerations Program, and funding shall be determined by a stakeholder process for each solar community. The NEM applicant will certify that it is part of a NextGen community in the application process with the utility. The utility shall petition the

PUCN for cost recovery of utility-scale batteries. The PUCN shall have 120 days to examine, approve, deny or modify the utility's petition.

Prior to the conclusion of five consecutive years, the PUCN shall review the relevant data to determine the cost savings, if any. The PUCN's analysis shall continue to promote net metering customer-generators in a NextGen community and shall take into account the value of solar and include, but not be limited to: Avoided Energy, Line Losses, Avoided Generation Capacity, Ancillary Services, Transmission/Distribution Capacity, Avoided CO<sub>2</sub> Emission costs, Voltage Support, Avoided Criteria Pollutants costs, Fuel Hedging/Diversity, Environmental costs, Utility Administration costs, Utility Integration costs, and Participant Bill Savings.

## **GRID MODERNIZATION TAC RECOMMENDATIONS - 09/12/2016**

- 1. The New Energy Industry Task Force recommends that the State of Nevada, through the Governor's Office of Energy and other state agencies, will commit to work with the Administration, Department of Defense and various Federal Agencies in partnership on the Section 368 corridor designation process to address renewable energy development and transmission corridor land use requirements, growth priorities, and long-term energy planning needs. In turn, the State of Nevada expects this collaboration to be a cooperative effort and consultation process that is ongoing, substantive, and respectful of Nevada's energy policy priorities and expertise.
- 2. The New Energy Industry Task Force recommends that the 2017 Legislature consider a funding bill to incentivize one or more demonstration project(s) that integrate distributed energy resources (DER) into Nevada's electric grid using DER resources compatible with a Nevada energy provider's data platform, security, operations and control, communication systems, and interconnection requirements. Distributed energy resources in this context include but would not be limited to energy storage, electric vehicles, renewable generation and other clean energy resources as well as the integration of such resources into microgrids and/or larger systems.